

The O'Malley-Brown Administration's FY15 Budget: More Jobs, Better Schools & Fiscally Responsible Choices

"Once again, our Administration and the General Assembly have come together to pass a budget that expands and strengthens Maryland's middle class by investing in jobs and education, while maintaining this Administration's fiscally responsible record."

– Governor O'Malley, May 15, 2014

The FY15 Budget Invests in the Administration's North Star: Creating Jobs

- The budget contains \$7.4 million for the [Maryland Economic Development Assistance Authority and Fund \(MEDAAF\)](#), the State's primary business development and job creation program.
- Gov. O'Malley continues to fund important tax credits for Maryland businesses: the [Biotech Tax Credit](#) (\$12 million, a 20% increase over last year); the [R&D Tax Credit](#) (\$9 million, a 12.5% increase over last year); and the [Cybersecurity Tax Credit](#) (\$4 million, a 33% increase over last year).
- The budget includes a record investment in the Small, Minority, and Women-Owned Business Investment Account (\$11.1 million).
- The budget invests nearly \$14 million for tourism promotion, including \$2 million to support [activities commemorating the War of 1812 and the 200th anniversary of the Star Spangled Banner](#).
- The \$4.1 billion Capital Budget: supports 48,000 jobs; contains \$1.5 billion for State facilities and Capital programs; and contains \$2.6 billion in transportation investments.
- The budget funds the [Employment Advancement Right Now \(EARN\) program at \\$4.5 million](#) for the second consecutive year. This training initiative prepares Maryland's workforce to succeed in key 21st century industries.

The FY15 Budget Expands Opportunity to More Marylanders

- This year's budget continues the Administration's record investments in education. This year's budget [contains nearly \\$6.1 billion for K-12 education](#), including:
 - \$6.9 million to expand [Maryland Meals for Achievement](#) to an additional 40,000 students;
 - [\\$4.3 million to expand Pre-Kindergarten to 1,600 more children](#);
 - \$3.5 million for the Digital Learning Innovation Fund to assist local school systems in accelerating conversion to digital learning environments; and
 - \$1.4 million for the Early College Innovation Fund to support creating and expanding early college access programs that provide accelerated pathways for students.
- The budget includes \$275 million in school construction investments, bringing the Administration's total school construction investments to \$2.7 billion. The [Administration's average yearly investment of \\$335 million in school construction is the highest in Maryland history](#), and is 34% higher than the Kopp Commission's recommendation of \$250 million per year.
- The budget includes \$1.4 billion for public colleges and universities, including additional funds to hold down tuition costs. [The State has done more since 2007-08 than any other state in the nation to hold down the rising cost of tuition.](#)

The FY15 Budget Continues the O'Malley-Brown Administration's Fiscally Responsible Choices

- The budget includes more than \$760 million in spending cuts and no tax or fee increases.
- The O'Malley-Brown Administration has [cut spending by \\$9.4 billion over 8 years](#) – more cuts than any administration in modern Maryland history.
- This is Gov. O'Malley's 8th consecutive budget that complies with the General Assembly's Spending Affordability Guidelines.
- Gov. O'Malley inherited a \$1.7 billion structural deficit in 2007. This year's budget cuts the structural deficit by \$125 million, which meets the Spending Affordability Committee's recommendation. The budget makes progress towards eliminating the structural deficit and keeps spending growth below the 4% recommendation.
- The budget secures cash reserves of \$878 million, including \$795 million in the Rainy Day Fund.
- Maryland is one of only 7 states to maintain a AAA rating from all three credit ratings agencies throughout the recession.
- Under Gov. O'Malley, [general fund budget growth has been held to its lowest level in a generation](#) - 2.1%, compared to 7.5% under the preceding governor.
- Gov. O'Malley shrank the size of government, abolishing 6,000 state positions since 2007. Under his leadership, the state's executive branch is the smallest it has been, per capita, since 1972.
- Unlike governors who either ignored pension system problems altogether, or who used problems with the pension system as an opening to attack public sector workers, Gov. O'Malley reformed Maryland's retirement systems in a fiscally responsible way while not infringing on collective bargaining rights.
- Faced with \$35 billion in unfunded pension and benefit liabilities, Gov. O'Malley implemented thoughtful reforms that restored the financial health of the pensions system and reduced the unfunded liability of our retirees' health benefit systems while protecting state employee benefits and access to healthcare for our retirees.